

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

IRIS IACCARINO, derivatively on behalf of nominal)	
defendant, NovaStar Financial, Inc.)	
)	
Plaintiffs,)	Case No. 08-CV-0469-ODS
)	
v.)	
)	
SCOTT F. HARTMAN, et al.,)	
)	
Defendants.)	

NOTICE OF SETTLEMENT

Plaintiff respectfully notices this Court that the parties have reached an agreement in principle to settle this action and an action pending in the Circuit Court of Jackson County, Missouri, captioned *O'Brien v. Hartman*, Case No. 0816-CV02978 (consolidated with case no. 0816-CV04731), which involves substantially similar factual and legal allegations and claims as the above-captioned action. The parties intend to submit a stipulation of settlement, a motion for approval of the settlement, and accompanying exhibits to the Circuit Court of Jackson County, Missouri shortly. Upon approval of the settlement by the Circuit Court of Jackson County, Missouri, the parties will file a copy of such order in the above-captioned action for the Court's consideration, and the parties will request that the Court close the proceedings in this action.

Dated: August 27, 2009

Respectfully submitted,

/s/ Paul E. Torlina

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